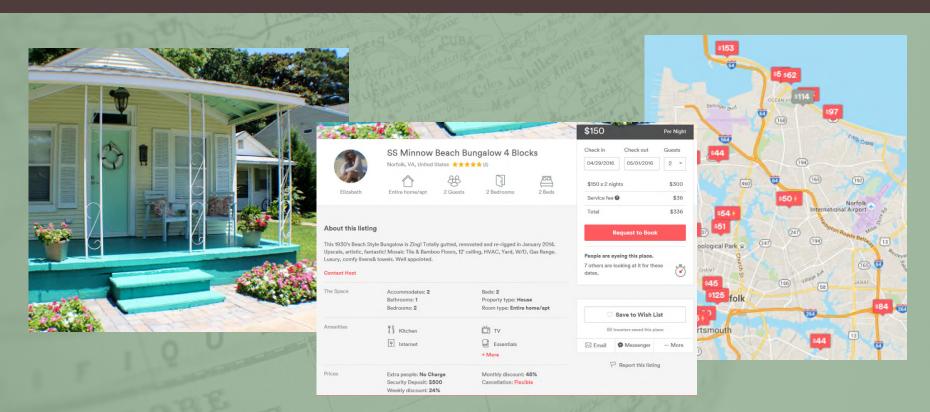
City Council | June 14, 2016



About Short Term Rentals (STRs):

How it works

A Community Built on Sharing

Airbnb began in 2008 when two designers who had space to share hosted three travelers looking for a place to stay. Now, millions of hosts and travelers choose to create a free Airbnb account so they can list their space and book unique accommodations anywhere in the world



Learn More

About Short Term Rentals (STRs):

- STRs are now easier to operate: easier to list, easier to book
- STRs fill a demand: guests that want more than a hotel but who don't need an apartment
- Illegal in Norfolk: Single-family zoning rule limits use of any dwelling to one family per 30day period

About Short Term Rentals (STRs):

- 2 kinds of operators:
- Single, owner-occupied residence
- Single, vacant residence
 - Single-family dwelling ("vacation home")
 - Multi-family dwelling

About Airbnb:

 80% of hosts operate a single, owner-occupied residence



- 4,500 hosts
- 150,000 guests
- Average length of stay: 3.3 nights
- Average income for a host: \$4,300



Source: E. Mullen, Airbnb representative to Limited Residential Lodging work group for the Virginia Housing Commission

About Airbnb:

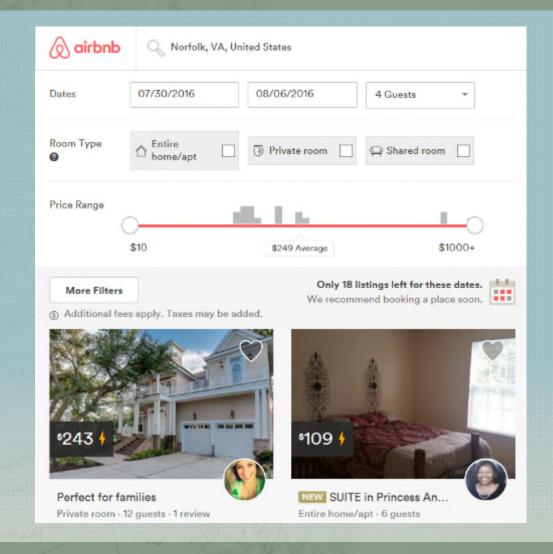
- \$24B valuation in 2015
- \$900M revenue in 2015 (estim.)
- \$1.3B of total revenue for 1 year at Airbnb lodgings in 12 major cities
 - 40% was generated by operators running 2 or more rental units
 - \$142,300 average income for a host renting a unit 360 days per year

Sources: <u>Here's how Airbnb justifies its eye-popping \$24 billion valuation</u>, Fortune, Jun. 2015; <u>From Air Mattresses to Unregulated Business: An Analysis of the Other Side of Airbnb</u>, Pennsylvania State University, Jan. 2016



Sample Search:

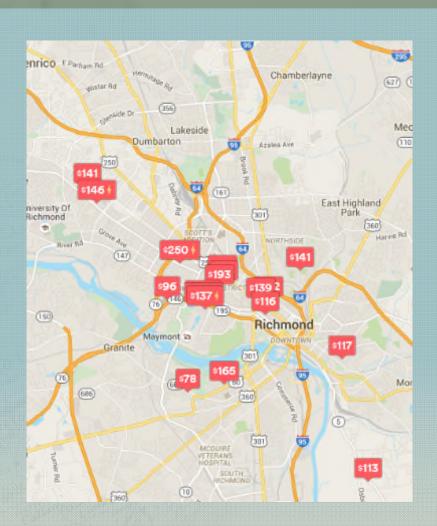
- July 30-Aug. 6
- 4 guests
- Airbnb.com



Sample Search:

- July 30-Aug. 6
- 4 guests
- Airbnb.com

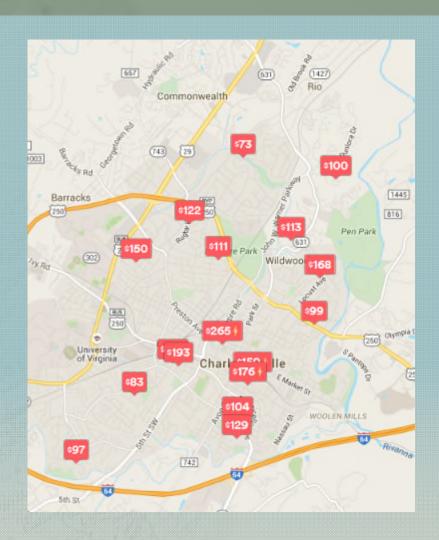
Richmond (pop. 214,100)



Sample Search:

- July 30-Aug. 6
- 4 guests
- Airbnb.com

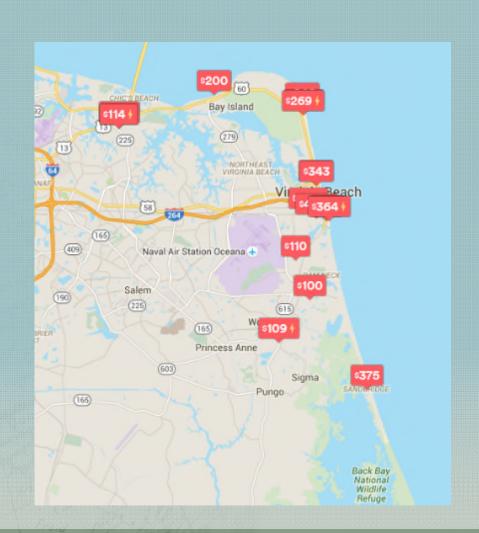
Charlottesville (pop. 44,300)



Sample Search:

- July 30-Aug. 6
- 4 guests
- Airbnb.com

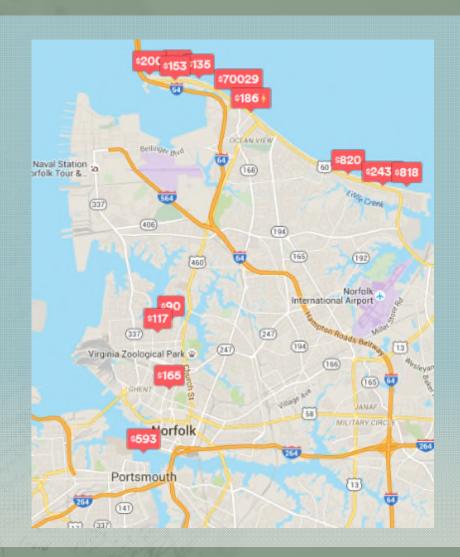
Virginia Beach (pop. 448,500)



Sample Search:

- July 30-Aug. 6
- 4 guests
- Airbnb.com

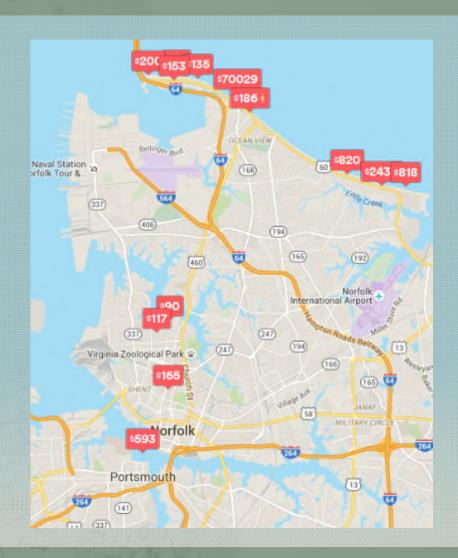
Norfolk (pop. 246,100)



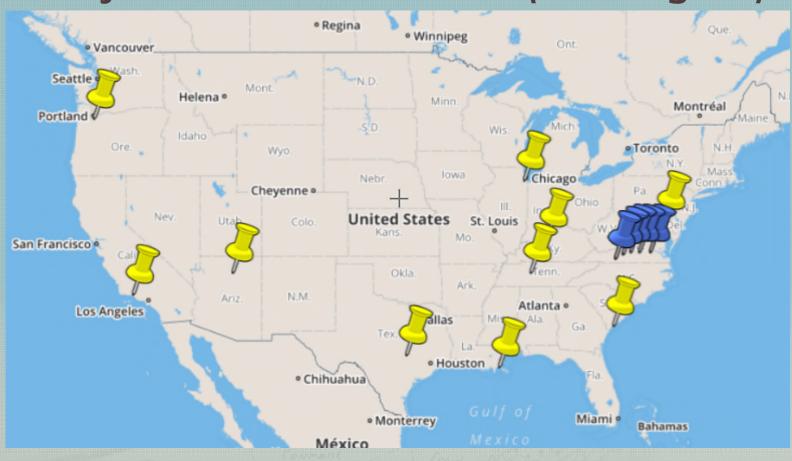
Norfolk:

- 5 Willoughby
- 2 Central OV
- 3 East OV
- 2 Colonial Place
- 1 Ghent

13 total rentals



Survey of 15 local ordinances (5 in Virginia)



Typical Regulations:

- Basic Public Safety
 - Permit (administrative) with fee
 - Maximum occupancy
 - Smoke alarms and fire extinguishers required
- Neighborhood Protection
 - Emergency contact
 - Owner must be present
 - Enhanced parking rules
 - Density limits
 - Special use permit required
- Regulating the Market
 - Occupancy taxes
 - Inspections (routine or pop-up)
 - Guest registry

- "Limited Residential Lodging" shall be allowed
 - Operator is the primary resident of the dwelling
 - Dwelling is the operator's principal residence and domicile
 - Lodging for a hotel, motel, fraternal organization, boardinghouse, vacation home, or any business or commercial purpose is not protected

- "Limited Residential Lodging" shall be allowed
 - No locality shall prohibit or restrict any residential dwelling unit from being used for STR
 - STRs shall be considered a residential use and allowed in all residential zoning districts
 - No locality shall impose any obligation on the STR operator because the property is used as an STR

- Localities can:
 - Require \$500K liability insurance
 - Prohibit further use of the residence for an STR if any taxes delinquent
 - Require that the name of the operator and the address be registered online with the locality

- This bill is not in effect yet
- Limited Residential Lodging work group for the Virginia Housing Commission is meeting May – Dec.
- Committed to limiting the scope to operator's principal residence and domicile

"Limited Residential Lodging Act"

- Unresolved operational issues:
 - Can permit be required?
 - Can localities impose public safety rules?
 - Maximum occupancy
 - Parking
 - 24-hour contact/manager
 - Life/safety mandates
 - Minimum insurance requirement
 - Will ADA compliance be required?
 - Will fair housing and non-discrimination laws apply?

"Limited Residential Lodging Act"

- Unresolved enforcement issues:
 - Will booking platforms supply data?
 - Who pays for additional enforcement?
 - Business licenses and home occupation rules?
 - Maintenance of and access to guest stay records?
 - Food safety issues? Alcohol sales?
 - Noise?
 - Pest control?

Recommendation:

This listing is for a private bedroom in our two-story house. This room has two beds: twin bed and full-sized bed. Pillows, sheets, and blankets are provided. The guest room is on the second floor.

Please note: We live in an older home, which means that it has a lot of charm, but is also not shiny and new. If you like sleek, modern spaces, this might not be the

Allison was an incredible host! She made us feel very welcome in her home. The room was exactly as described, and included a basket of anything we might need, even toiletries and snacks. There even was an adorable book of points of interest in the area that Allison made herself! In the dining room was an entire cabinet and mini-fridge devoted to breakfast food and kitchen items for guests. Allison also had home baked scones and also shared the (delicious) cupcakes she baked during our stay. Godiva the kitty was a sweet addition to the house. The location near the beach would come in handy

Recommendation:

Would stay again



The unit was very nice. We enjoyed our stay. As others have said, the parking is tricky to get in and out of, but there was always one space available. We had everything we needed in the unit - nice linens, wifi, space to spread out, outdoor seating, beach chairs.... The beach access is very easy and no need to cross streets. The pool is kept clean. The owners live nearby and are very friendly.

Stayed: May 2015 Submitted: June 1, 2015 Source: HomeAway Family

Recommendation:

- Continue with enforcement of prohibition against vacation home rentals
- Continue engagement with legislative liaisons and other localities in preparation of 2017 Legislative Session
- Pursue local option for "good neighbor" rules:
 - Registration and permit (administrative)
 - 24-hour, local emergency contact
 - Adequate off-street parking
 - Maximum occupancy
 - Dispersal requirement